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Chile

FRESH DECIDUOUS FRUIT SEMI-ANNUAL

Apple, Table Grapes, Pears and Apple Juice Semi-Annual

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Report Highlights:

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New estimates for Chile's table grapes and pear production and exports calls for a small expansion when compared to the previous year as a result of favorable weather conditions in most growing areas. But climatic conditions have not been favorable for apple production; as a result due to a slight reduction in output, exports are also expected to fall.

Executive Summary:

New estimates show that production of table grapes and pears will increase slightly in MY2009 (Jan-Dec 2009), but apple output which has been affected by abnormal high temperatures during late spring and early summer will fall slightly, when compared to the previous season. For the coming year, although it is to early for a forecast no major changes in production are expected as the planted area has not expanded and most orchards have reached their mature stage of production.

Production General

Total Chilean fruit production and exports in MY2009 is expected to expand slightly as weather has been favorable during the winter and early spring months with the exception of apple production. But there are other important factors that will affect economic returns mainly of grapes and apples, but in lower degree for pears, like the world economic crisis. Additionally to the low prices for exported fruit a revaluation of the peso during the last three years is affecting the fresh fruit export market. The exchange rate for the peso which has fallen from 740 Chilean pesos to 450 pesos to the dollar has only recuperated partially and is presently at the 570 pesos level. Other factors like the cost of labor, productivity and increasing energy costs are also affecting the industry. Consequently, industry sources have indicated that increases of new plantings and significant production increases in the coming years are not expected, at least for apples, table grapes and pears.

Commodities:

Apples, Fresh

Production:

In spite of good weather conditions in most growing areas for apples during the Chilean winter and spring (Jun-Nov 2008), as was indicated by industry sources, some production areas were apparently affected by alternate bearing, as last year we had a bumper crop. Additionally, high temperatures late in the spring and early summer, reportedly affected the quality of the production. Adverse climatic conditions, like higher tan normal temperatures during late spring and summer months in most production areas is thought to be the main reason for the fall in volume and quality of the production (smaller fruit size). As a result our new production estimates for MY 2009 were adjusted downward. The higher than normal temperatures also had an effect on the color and faster maturing of the fruit determined by a lower pressure reading of the pulp, leaving higher volumes of fruit out of export quality. For example the Gala variety which represents 39 percent of exports fell 15 percent due to color, size and pressure and red varieties like delicious which represent over 23 percent of exports are estimated to fall close to 20 percent. Green varieties like Granny Smith which represent 17 percent of exports are also expected to fall mainly due to sun burning stains, size of the fruit and pressure. Consequently exports are also expected to fall. For the coming Marketing Year (2010) we can expect total apple production to be similar than last year as a production is expected to expand, due to a slight expansion of the production area and/or some orchards which are in the incremental stage of production and the replanting with higher yielding varieties by a large number of producers, is expected to keep increasing production volumes in the coming years.

Consumption:

There are no official statistics on domestic fresh apple consumption. The figures shown in the PS&D table are estimated as a residual of production, minus apples destined for processing and known exports.

Trade:

As a result of a higher production in Europe and the United States and larger than normal stocks at the beginning of the Chilean apple export season the smaller export demand for apples will result in a fall of volume exported in MY2009 when compared to the previous year.

Production, Supply and Demand Data Statistics:

Apples, Fresh Chile	2007		2008		2009	
	2007/2008		2008/2009		2009/2010	
	Market Year Begin: Jan 2008		Market Year Begin: Jan 2009		Market Year Begin: Jan 2010	
	Annual Data Displayed	New Post	Annual Data Displayed	New Post	Annual Data	Jan

							Displayed		
			Data			Data			Data
Area Planted	37.197	37.197	37.197	37.250	37.250	37.250			37.300
Area Harvested	32.049	32.049	32.049	32.780	32.780	32.780			32.900
Bearing Trees	14.422	14.422	14.422	14.750	14.750	14.750			14.800
Non-Bearing Trees	2.343	2.343	2.343	2.039	2.039	2.039			2.011
Total Trees	16.765	16.765	16.765	16.789	16.789	16.789			16.811
Commercial Production	1.340.000	1.340.000	1.340.000	1.380.000	1.380.000	1.270.000			1.360.000
Non-Comm. Production	10.000	10.000	10.000	10.000	10.000	10.000			10.000
Production	1.350.000	1.350.000	1.350.000	1.390.000	1.390.000	1.280.000			1.370.000
Imports	78	78	78	50	50	50			50
Total Supply	1.350.078	1.350.078	1.350.078	1.390.050	1.390.050	1.280.050			1.370.050
Fresh Dom. Consumption	165.000	165.000	155.000	170.000	170.000	150.050			160.000
Exports, Fresh	775.000	775.000	770.708	800.000	800.000	730.000			770.000
For Processing	410.078	410.078	424.370	420.050	420.050	400.000			440.050
Withdrawal From Market	0	0		0	0				
Total Distribution	1.350.078	1.350.078	1.350.078	1.390.050	1.390.050	1.280.050			1.370.050

Author Defined:

Export Trade Matrix

Country	Chile		
Commodity	Apples, Fresh		
Time Period	Jan-Dec	Units:	M.T.
Exports for:	2007		**2008**
U.S.	124711	U.S.	93784
Others		Others	
Netherlands	75793	Netherlands	83829
Colombia	59938	Colombia	57338
Saudi Arabia	47316	Saudi Arabia	51277
Ecuador	42223	Venezuela	44637
U.K.	40612	Ecuador	43170
Venezuela	38949	Russia	38279
Taiwan	32770	U.K.	37771
Spain	28965	Taiwan	35108
Mexico	26552	Spain	28164
Russia	26039	Peru	27950
Total for Others	419157		447523
Others not Listed	230766		229401
Grand Total	774634		770708

Commodities:

Grapes, Table, Fresh

Production:

As a result of favorable weather conditions in most growing areas, total output in MY2009 (Jan-Dec 2009) is estimated to be slightly larger than last year. Precipitations concentrated during the winter months, absence of frost and normal temperatures during spring weather are factors that favor a higher than normal fruit production. For the coming season, production is forecast to be similar than this season as total planted area to table grapes is not expected to increase. New planting are reportedly only replacing old aging orchards that are coming to an end of the production period, are being uprooted. Some contacts in the industry believe that total planted area could fall as some producers will not replant orchards due to a fall in the economic returns that has being affecting table grape production in some areas with lower yields and higher production costs.

Consumption:

As with other Chilean fresh fruits, domestically consumed table grapes are mainly export rejects. There are no official statistics on domestic consumption. Domestic fresh consumption is derived from the only known figure, which is exports, and estimated production data. Domestic consumption generally accounts for about 10 percent of total output, while processing accounts for another 30 percent.

Trade:

Due to a slightly larger output and a good quality production, exports are estimated to be marginally larger in spite of an expected weak export demand, due to the economic crisis which is affecting almost all Chilean fresh table grape export markets.

Production, Supply and Demand Data Statistics:

Grapes, Fresh Chile	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
			Data			Data			Data
Area Planted	56.250	56.250	56.250	56.000	56.000	56.000			56.000
Area Harvested	47.840	47.840	47.840	48.900	48.900	48.900			49.100
Commercial Production	1.180.000	1.180.000	1.180.000	1.200.000	1.200.000	1.200.000			1.200.000
Non-Comm. Production	5.000	5.000	5.000	5.000	5.000	5.000			5.000
Production	1.185.000	1.185.000	1.185.000	1.205.000	1.205.000	1.205.000			1.205.000
Imports	115	115	264	150	150	150			150
Total Supply	1.185.115	1.185.115	1.185.264	1.205.150	1.205.150	1.205.150			1.205.150
Fresh Dom. Consumption	126.000	126.000	115.000	126.000	126.000	120.000			125.000
Exports, Fresh	800.000	800.000	836.885	810.000	810.000	840.000			835.000
For Processing	259.115	259.115	233.379	269.150	269.150	245.150			245.150
Withdrawal From Market	0	0		0	0				
Total Distribution	1.185.115	1.185.115	1.185.264	1.205.150	1.205.150	1.205.150			1.205.150

Author Defined:

Export Trade Matrix

Country Chile

Commodity Grapes, Table, Fresh

Time Period	Jan-Dec	Units:	M.T.
Exports for:	2007		**2008**
U.S.	428324	U.S.	435021
Others		Others	
Netherlands	78412	Netherlands	95623
U.K.	55606	U.K.	62825
Mexico	33593	Russia	45438
Russia	23722	So Korea	29548
So. Korea	23311	Mexico	22426
Spain	11455	Hong Kong	14929
China	10452	Germany	12857
Hong Kong	10369	Spain	12805
Germany	9436	China	9195

Brazil	7174	Taiwan	8528
Total for Others	263530		314174
Others not Listed	84516		87690
Grand Total	776370		836885

Commodities:

Pears, Fresh

Production:

Favorable weather conditions, with precipitations concentrated during the winter months, an absence of frost and normal temperatures during spring weather favored the pear production in Chile. Additionally the higher tan normal temperatures during late spring and summer months in most production areas which affected apple output, apparently did not affect the volume and quality of the pear production. As a result a slightly larger than last production and export is expected in MY2009. For MY2010 as of now we forecast a similar than this year production due to no changes in planted area and no recently planted orchards are coming into production.

Consumption:

Most pears are consumed fresh because only a few existing varieties in Chile can be processed for canned pears or juice concentrates. Domestically consumed pears are mainly export rejects

Trade:

The estimated larger production is expected to result in an expansion of exports.

Production, Supply and Demand Data Statistics:

Pears, Fresh Chile	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
			Data			Data			Data
Area Planted	6.590	6.590	6.590	6.590	6.590	6.590			6.590
Area Harvested	5.911	5.911	5.911	6.000	6.000	6.000			6.000
Bearing Trees	2.937	2.937	2.937	2.981	2.981	2.981			2.981
Non-Bearing Trees	329	329	329	285	285	285			285
Total Trees	3.266	3.266	3.266	3.266	3.266	3.266			3.266
Commercial Production	270.000	270.000	270.000	278.000	278.000	278.000			278.000
Non-Comm. Production	2.000	2.000	2.000	2.000	2.000	2.000			2.000
Production	272.000	272.000	272.000	280.000	280.000	280.000			280.000
Imports	0	24	24	0	0	0			0
Total Supply	272.000	272.024	272.024	280.000	280.000	280.000			280.000
Fresh Dom. Consumption	75.976	76.000	76.000	78.000	79.000	77.000			77.000
Exports, Fresh	132.000	132.000	133.088	136.000	135.000	136.000			135.000
For Processing	64.024	64.024	62.936	66.000	66.000	67.000			68.000
Withdrawal From Market	0	0		0	0				
Total Distribution	272.000	272.024	272.024	280.000	280.000	280.000			280.000

Author Defined:

Export Trade Matrix

Country	Chile		
Commodity	Pears, Fresh		
Time Period	Jan-Dec	Units:	M.T.
Exports for:	2007		**2008**
U.S.	24255	U.S.	25061
Others		Others	
Netherlands	20728	Netherlands	27166
Colombia	11596	Italy	12325
Venezuela	10154	Colombia	11925
Italy	9121	Venezuela	11532
Peru	6799	Peru	7218
Ecuador	6618	Ecuador	6789
Spain	5035	Spain	5741
Germany	3002	Russia	4134
Russia	2516	Belgium	3135
Brazil	2115	Germany	2307
Total for Others	77684		92272
Others not Listed	17318		15755
Grand Total	119257		133088

Commodities:

Apple Juice, Concentrated

Production:

Chile’s production of apple juice concentrate (AJC) primarily reflects foreign demand and apple for processing availability. Although the apple juice industry mainly processes export rejects, the AJC industry has been encouraging farmers to increase production of sour-type apples, as well as to expand new plantings of apple varieties mainly for juice purposes. The apple juice industry competes with the pulp industry for the apples left from the fresh exported process.

Consumption:

Only a small amount of AJC, principally single-strength juice, is consumed domestically. AJC competes with a variety of fresh and processed juices in Chile.

Trade:

The United States continues to be Chile's largest AJC export market, accounting for 60 percent of total export sales. Other markets of increasing importance are Japan, Mexico and Canada. Latin American export markets also are growing fast. Levels of AJC exports will depend upon foreign demand and the ability of the industry to compete in international markets against other suppliers such as China.

Production, Supply and Demand Data Statistics:

Apple Juice, Concentrated Chile	2007	2008	2009
	2007/2008	2008/2009	2009/2010

	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
			Data			Data			Data
Deliv. To Processors	410.078	410.078	424.370	420.050	420.050	400.000			440.050
Beginning Stocks	595	595	595	945	945	858			1.208
Production	37.350	34.000	39.580	50.350	45.000	48.000			49.850
Imports	0	0		0	0				
Total Supply	37.945	34.595	40.175	51.295	45.945	48.858			51.058
Exports	37.000	33.000	38.667	50.000	44.000	47.000			49.000
Domestic Consumption	0	650	650	0	650	650			650
Ending Stocks	945	945	858	1.295	1.295	1.208			1.408
Total Distribution	37.945	34.595	40.175	51.295	45.945	48.858			51.058

Author Defined:

Export Trade Matrix

Country	Chile		
Commodity	Apple Juice, Concentrated		
Time Period	Jan-Dec	Units:	M.T.
Exports for:	2007		**2008**
U.S.	21395	U.S.	26426
Others		Others	
Japan	6250	Japan	5513
Mexico	5113	Canada	3166
Canada	1792	Mexico	2546
Netherlands	191	Costa Rica	306
So. Korea	173	Peru	186
Costa Rica	171	So. Korea	108
U.K.	139	Panama	80
Peru	136	Dominican Rep.	69
Puerto Rico	79	Pakistan	65
Dominican Rep.	71	Colombia	56
Total for Others	14115		12095
Others not Listed	314		146
Grand Total	35824		38667